

Message Text

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INFO AMEMBASSY DAR ES SALAAM

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SUBJECT: EAST AFRICAN COMMUNITY

REF: (A) DAR ES SALAAM 1587, (B) DAR ES SALAAM 1603

1. SUMMARY. FROM KENYAN PERSPECTIVE, LIFE SLIPPING QUICKLY AWAY FROM EAST AFRICAN COMMUNITY (EAC). REGRET TEMPERED BY SENSE OF INEVITABILITY AND ANNOYANCE OVER WHAT KENYAN LEADERS CALLED QUOTE EXTREMELY HOSTILE UNQUOTE ATTITUDE BY TANZANIA AND UGANDA. LATEST CRACK IN UNITY, OF WHICH THERE LITTLE LEFT, WAS KENYA'S ASSUMPTION THIS WEEK OF DIRECT CONTROL OVER ALL CIVIL AVIATION AND METEOROLOGICAL MATTERS WITHIN ITS BORDER, SITUATION WHICH APPRENTLY OBTAINS NOW IN TANZANIA AND UGANDA AS WELL. KENYANS ADMIT SHORT-TERM FRUSTRATION AND ECONOMIC DAMAGE CAUSED BY BORDER CLOSING BUT SEEM DETERMINED TO EXTRACT THEMSELVES FROM ECONOMIC DEPENDENCE ON OTHER PARTNERS, ESPECIALLY TANZANIA, IN TOURIST AND TRADE SECTOR. NAMECALLING HAS BEEN TIRESOME, AND KENYA SEEMS WILLING TO LET ECONOMIC INTEGRATION FLOAT AWAY AS THE DETRITUS OF

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COLONIAL INHERITANCE. END SUMMARY.

2. TANZANIA CLOSED ITS BORDER UNILATERALLY TO LAND TRAFFIC IN FEBRUARY AND SEQUESTERED DOLS 7 MILLION IN KENYAN CHATTEL, PRIMARILY (KENYAN FIGURES) 25 LIGHT AIRCRAFT, 60 KENATCO (STATE-OWNED) HEAVY TRUCKS IN 45-TON RANGE, AND 300 OTHER VEHICLES, MOSTLY PRIVATELY OWNED, MANY OF THEM BY UNITED

TOURING COMPANY (UTC). THIS WEEK TANZANIA STOPPED ISSUING SPECIAL BORDER PASSES ALTOGETHER (REFTELS), TO EXTENT OF NOT LETTING TANZANIANS RE-ENTER FROM KENYA. KENYAN REGISTERED AIRCRAFT HAVE NOT ENTERED TANZANIA SINCE FEBRUARY WITHOUT EXCEPTIONAL CIRCUMSTANCES.

3. JUST WHY KENYA DID NOT EXERCISE NATIONAL PENCHANT FOR QUICK ACTION (OIL CUT-OFF TO UGANDA, STARTUP OF KENYA AIRWAYS) IN CASE OF TANZANIA IS NOT CLEAR. RESTRAINT PROBABLY ACCOUNTED FOR BY INSECURITY OVER UGANDA AND SOMALIA, AS WELL AS BY KENYATTA'S BASICALLY CONCILIATORY ATTITUDE TOWARD TANZANIA. IN SPEECH APRIL 22 MINISTER FOR TOURISM MATHEWS OGUTU ADMITTED KENYANS FEEL FRUSTRATED AND PROVOKED BUT HAVE ADOPTED WHAT HE CALLS QUOTE HUMBLE UNQUOTE APPROACH. HE MENTIONED POSSIBLE RECOURSE TO ORGANIZATION OF AFRICAN UNITY (OAU) AND UNITED NATIONS BUT MADE NO THREAT BEYOND DETERMINATION TO ESTABLISH KENYA'S ECONOMIC INDEPENDENCE.

4. WHILE DENYING THAT TANZANIA HAS EVER STATED REASON FOR IMPOUNDMENT, KENYANS ASSUME IT WAS TO FORCE PROPER SHARING OF COMMUNITY'S ONE BILLION DOLLARS IN ASSETS, AT LEAST HALF OF WHICH ARE LOCATED IN KENYA. MOST COMMUNITY-OWNED ASSETS ARE IMMOVEABLE, SO THAT TANZANIA MAY FEAR KENYA'S POSSESSION AND SHEER COMPLEXITY OF ASSESSING DEPRECIATION. KENYANS SAY THEY ARE WILLING TO SIT DOWN AND DIVIDE ASSETS ONCE COMMUNITY DECLARED DEAD, AN ANNOUNCEMENT THEY THEMSELVES HAVE BEEN UNWILLING TO MAKE.

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5. PROXIMATE CAUSE FOR FEBRUARY BORDER CLOSING BY TANZANIA WAS APPARENTLY GROUNDING OF EAST AFRICAN AIRWAYS (EAA). TWELVE OF 15 UNITS WERE IN KENYA AT TIME. GRANTING THAT KENYA'S STARTUP OF KENYA AIRWAYS JUST FEW DAYS AFTER FINANCIAL COLLAPSE OF EAA ON JANUARY 31 WAS ARCH, KENYANS HAVE NOT UNDERSTOOD TANZANIAN CLAIM THAT KENYA UNILATERALLY DESTROYED EAA. FLEET HAD NO FUEL BECAUSE SHELL AND MOBIL FINALLY INSISTED ON CASH AND CARRY, AND BANKS WOULD NOT EXTEND OVERDRAFT. INSURANCE PREMIUMS WENT UNPAID. PERSONNEL THREATENED WITH NON-PAYMENT SALARIES. FEARS PREVAILED AMONG AIRCRAFT SUPPLIERS THAT EAA WOULD DELAY REPLACEMENT OF PARTS. CREDITORS GROUNDED EAA, KENYANS SAY.

6. KENYANS ALSO PUZZLED BY APPARENT TANZANIAN BELIEF THAT BORDER CLOSING WILL DRAMATIZE LOSS IN KENYAN EXPORTS AND TOURIST RECEIPTS AND THUS BRING KENYA AROUND TO QUOTE COOPERATION UNQUOTE. KENYA SHIPPED 55 MILLION DOLLARS OF DOMESTIC EXPORTS TO TANZANIA IN 1976 WHILE

IMPORTING 29 MILLION DOLLARS IN TANZANIAN GOODS. ALSO CUT OFF BY BORDER CLOSING WERE 18 MILLION DOLLARS IN KENYAN EXPORTS (1976) TO ZAMBIA. MANY OF THESE KENYAN EXPORTS, HOWEVER, REPRESENTED ONLY VALUE ADDED FOR REFINED OIL PRODUCTS OR MARKUP FOR SERVICES RELATED TO SUCH ITEMS AS SPARE PARTS. KENYAN HOTELS HAVE REPORTED HIGHER RELATIVE OCCUPANCY THAN BEFORE BORDER CLOSING. GOOD RAINS HAVE ALSO HELPED RESTORE KENYAN ANIMAL LIFE AND NATURAL ATTRACTIONS SO THAT OGUTU IS FORECASTING RECEIPTS OF 120 MILLION DOLLARS IN 1977, COMPARED WITH 100 MILLION DOLLARS IN 1976. SOME TWO-THIRDS OF TOURISTS, HOWEVER, FORMERLY CONTINUED TO TANZANIA. ATTRACTIVENESS OF EAST AFRICAN PACKAGE NOW DAMAGED. RECEIPTS FORMERLY EARNED BY PARTIALLY OWNED KENYAN HOTELS AND KENYAN TOURING VEHICLES AND AIRCRAFT IN TANZANIA ALSO HIT. MOREOVER, AS EACH GOVT ATTEMPTS TO DEVELOP INDEPENDENT TOURIST PACKAGE, KENYA FEARS TANZANIA WILL BE TEMPTED TO NATIONALIZE AND USE LIMITED OFFICIAL USE

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IMPOUNDED KENYAN AIRCRAFT AND VEHICLES.

7. REGARDING KENYAN ASSUMPTION OF FULL AUTHORITY OVER CIVIL AVIATION AND METEOROLOGY IN KENYA, E. N. GITONGA, UNDER SECRETARY, MINISTRY POWER AND COMMUNICATIONS, TOLD EMBOFF APRIL 22 THAT, UNTIL KENYA CAN WRITE ITS OWN REGULATIONS, IT WILL ENFORCE LETTER OF FORMER EAC REGULATIONS. HE SAID THAT IS ALL THAT IS LEFT, LAWS.

8. COMMENT: IF EAC IS NOT DEAD, FUNERAL PREPARATIONS ARE CLEARLY UNDERWAY. THERE IS NO MOVEMENT OF PEOPLE OR GOODS ACROSS KENYA-TANZANIA BORDER AND RELATIVELY LITTLE ACROSS KENYA-UGANDA BORDER. EAA'S FOUR VC-10'S ARE GROUNDED. THERE HAS BEEN NO MEETING OF EAC COMMON COUNCIL OR COMMITTEE OF MINISTERS SINCE JANUARY, ACCORDING TO KENYAN SOURCES; NO CONFERENCE OF EAST AFRICAN AUTHORITY (THE THREE HEADS OF STATE) SINCE JANUARY 1971. AT TIMES IN PAST MONTHS EVEN TELEPHONE LINKS WERE DEAD. EACH OF THREE COUNTRIES NOW HAS DE FACTO CONTROL OVER CIVIL AVIATION WITHIN ITS OWN BORDERS. TANZANIAN DIRECTOR OF EAST AFRICAN LITERATURE BUREAU IN NAIROBI ANNOUNCED APRIL 21 THAT EVEN THAT INNOCUOUS ORGANIZATION MAY COLLAPSE BY JUNE, PARTLY BECAUSE OF MONEY PROBLEMS. IT WILL BECOME KENYA LITERATURE BUREAU UNDER OFFICE OF PRESIDENT.

9. ATTORNEY GENERAL NJONJO HAS EXPRESSED CONCERN OVER KENYANS IN TANZANIA NOT ALLOWED TO RETURN HOME BUT HAS APPEALED TO PARLIAMENT TO RESTRAIN UNPRODUCTIVE TIRADES AS INIMICAL TO NATIONAL INTERESTS. FINANCE MINISTER KIBAKI, WHILE CHARACTERIZING TANZANIA RATHER HARSHLY, HAS COUNSELED PATIENCE. THESE OFFICIALS HAVE REJECTED,

HOWEVER, THE REPORTED STATEMENT BY TANGOV THAT TANZANIA
HAS MADE PROPOSALS FOR SETTLEMENT AND THAT QUOTE BALL IS
IN KENYA'S COURT UNQUOTE. CURRENT KENYAN ATTITUDE IS
RECEIPTIVE TO PROPOSALS BUT SEEMS INCREASINGLY EVOLVING
TOWARD TOTAL PREOCCUPATION WITH FORGING ECONOMICALLY
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INDEPENDENT FUTURE.

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